

SB 34 AND AWG HIGHLIGHTS: WEDNESDAY, 15 JUNE 2011

Contact groups and informal consultations were held throughout the day under the AWG-LCA, AWG-KP, SBI and SBSTA.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

CONVENTION ARTICLE 6 (SBI): In the morning contact group, SBI Chair Owens-Jones underscored the importance of the agenda item on Convention Article 6 (education, training and public awareness) for youth and observers. He called for quick conclusions and suggested convening a special event on the issue in Durban. Chair Chowdhury said this session would focus on finalizing draft conclusions and terms of reference for the review of the implementation of the work programme on education, training and public awareness. Parties noted that Convention Article 6 would not be on the agenda in Durban, supporting the SBI Chair's proposal for a special event in Durban.

The US emphasized that guidelines and templates to support the design of national strategies and action plans on Convention Article 6 should be developed "according to national circumstance and context" and proposed deleting text on "identifying links with capacity-building and technology transfer," which was supported by the G-77/CHINA and the EU.

After agreeing to revisions proposed by the G-77/CHINA and the US, parties agreed to forward the text for adoption by the SBI plenary.

CAPACITY BUILDING UNDER THE CONVENTION (SBI): In the morning contact group on capacity building under the Convention, the co-chairs drew attention to the "heavily-bracketed text," the lack of progress and lack of time, asking whether parties preferred forwarding the bracketed text to Durban or disposing of the text and starting anew in Durban.

The EU requested continuing work on two bracketed paragraphs regarding an expert group on capacity building and on performance indicators for the review of capacity building in developing countries. Parties could not reach agreement on either paragraph, with some suggesting to enhance capacity building and others proposing to delete the two sections. Co-Chair Caballero underscored the need to avoid duplicating work on capacity building under the AWG-LCA.

Saint Kitts, for AOSIS, and JAPAN supported forwarding the bracketed text to Durban as it is, recalling the significant effort already invested. The bracketed text will be forwarded to the SBI plenary.

CAPACITY BUILDING UNDER THE PROTOCOL (SBI): In the morning contact group on capacity building under the Protocol, parties briefly discussed the draft decision text and the way forward towards Durban. Parties were able to

remove a final bracket in the operational text, but did not make progress on brackets in the preamble. The bracketed text will be forwarded to the SBI plenary.

FINANCE (AWG-LCA): In the morning informal group on finance under the AWG-LCA, parties considered five submissions from parties on the Standing Committee.

Outlining their proposal, one party raised concerns relating to the fair and equitable representation on the Committee, citing lack of inclusive representation from the Eastern European Group and the Western Europe and Others Group in the Transitional Committee for the design of the Green Climate Fund. Common ground within various proposals was noted by some, as well as the need to make a distinction between what needs to be done by the group and what can be left to the Standing Committee to elaborate, such as a more detailed work programme. A number of parties supported an evidence-based approach to the Standing Committee's work, ensuring expert, objective and impartial advice on issues related to the financial mechanism. Some suggested that the group focus on how the Committee can assist the COP, noting that the type of assistance required could evolve over time. Draft conclusions will be prepared.

ANNEX I FURTHER COMMITMENTS (AWG-KP): In the morning contact group, spin-off group facilitators provided progress updates.

On LULUCF, Facilitator Rocha said parties had agreed to consider a new co-facilitators' non-paper, which consolidates options and eliminates text made redundant by Decision 2/CMP.6 (LULUCF), noting it reduces the negotiating text from 40 to 12 pages. He said discussions would continue on *force majeure*.

On the basket of methodological issues, AWG-KP Vice-Chair Diouf Sarr reported that a non-paper on common metrics had been proposed by the drafting group. She noted efforts in the spin-off group to streamline the text to minimize the number of options. She proposed the drafting group continue its work on new greenhouse gases.

During discussions, SWITZERLAND, TUVALU, Saint Lucia, for AOSIS, INDIA, SOUTH AFRICA and CHINA supported a resumed session of the AWG-KP in September or October.

JAPAN underscored that they will "never inscribe their new target under the Kyoto Protocol under any circumstances." He said Japan adds value to discussions on the rules due to their experience in implementing them, and noted that the discussions on rules under the AWG-KP are beneficial for discussions under the AWG-LCA.

The EU expressed frustration that, during the AWG-LCA discussions on legal options, parties had not even allowed the facilitator to summarize options for the legal form of the AWG-LCA's outcome. He stressed that a second commitment period is contingent on "meaningful progress" towards a comprehensive, legally-binding agreement and underscored "serious concerns"

that the way legal options are currently being addressed by some parties is not helpful. On the relationship between rules discussed under the AWG-KP and the AWG-LCA, he emphasized that some commonality is required to ensure comparability between Annex I parties taking commitments under the Protocol, Annex I countries parties to the Protocol taking commitments only under the Convention and Annex I countries not parties to the Kyoto Protocol taking commitments under the Convention. He stressed that the EU needs comparability of efforts or at least common ground to define and measure commitments and believes it is unwise to start from scratch on rules in the AWG-LCA context, given the maturity of the Kyoto Protocol rules. The EU also stressed the need for further evolution of the market mechanisms. He identified discussions of a common rules set as necessary for the EU to increase its level of ambition.

AOSIS said the Kyoto Protocol rules should be the starting point on which all parties should build. The EU said the fact that large portions of the text, including on new market mechanisms and consequential Protocol amendments, have not yet been discussed was “very, very worrying.” AOSIS supported discussions of the text on consequential Protocol amendments.

Technical discussions will continue in spin-off groups and political issues will continue to be addressed in the contact group.

AWG-LCA CONTACT GROUP: During the morning AWG-LCA contact group, facilitators presented on progress in their informal groups. Parties also exchanged views on future work.

On REDD+, it was reported, on behalf of Facilitator La Viña, that parties had considered financing for result-based actions. Common ground was identified on considering a flexible basket of financing options from which developing countries could choose based on their national preferences.

On sectoral approaches, Facilitator Wamukoya reported that parties agreed on a way forward to address a general framework, agriculture and bunker fuels. He said parties had presented “constructive elements” for the general framework and that they had identified text coming from previous sessions as a good basis for discussions on agriculture.

On mitigation by developed countries, Co-Facilitator Garibaldi reported on discussions on the biennial reports, saying that parties had exchanged views and addressed technical aspects of guidelines for national communications and biennial reports, including scope, flexibility and timing. He also noted proposals to organize workshops.

On mitigation by developing countries, Co-Facilitator Garibaldi reported on discussions on the biennial reports, highlighting that developing countries emphasized the need for clarity on key aspects, in particular on financing. On the NAMA registry, Co-Facilitator Spilgaard reported that parties had underscored the registry’s voluntary nature and discussed its structure, content and modalities. He noted common understanding on the need for separating in the registry NAMAs requiring international support and those already receiving support.

On market and non-market approaches, Facilitator Gaspar Martins reported on common ground that could provide the basis for a COP decision on market mechanisms and non-market approaches, highlighting the need for further discussions.

On capacity building, Facilitator Uosukainen reported on discussions on institutional arrangements and highlighted suggestions by some parties to prepare a technical paper and organize a workshop on enhancing capacity building. On finance, Facilitator Børsting reported that parties had exchanged views on the Standing Committee, including its role, functions, composition and relationship to the COP and other bodies. He also identified the need for further discussions on long-term finance.

On legal options, Facilitator Flores noted divergent views among parties and said she would prepare a summary note reflecting the discussions.

On the review of the long-term global goal, AWG-LCA Vice-Chair Mukahanana-Sangarwe reported that she had prepared a summary based on parties’ inputs and that many parties

considered it a good basis for further discussions. She noted that some parties had expressed concern about the possibility that the biennial reports would not be ready for consideration during the review process.

On technology, Facilitator Uosukainen noted constructive discussions on the terms of reference and the procedure to select a host for the Climate Technology Centre and Network.

AWG-LCA Chair Reifsnnyder encouraged parties to capture progress made in the informal groups. As possible alternatives he suggested: posting facilitators’ texts online; including the texts in an information document; or attaching them to the meeting’s report in order to enable their translation into the UN languages. He also underscored that some parties had proposed workshops, in particular on the NAMA registry and on biennial reports, that could be an important input for the next session.

INDIA, with BRAZIL, TUVALU, INDONESIA, GRENADA, MEXICO and others, called for organizing an intersessional meeting before Durban. COLOMBIA and AUSTRALIA suggested focusing on the substantive work and skipping opening and closing plenaries. SAUDI ARABIA expressed reservations on intersessional workshops. BRAZIL suggested the workshops should be held back-to-back with the negotiating session. SINGAPORE underscored that the workshops should feed into the formal process but not be a substitute for it.

METHODOLOGICAL GUIDANCE ON REDD+ (SBSTA): During the morning informal consultations on REDD+ under the SBSTA, parties considered the co-facilitators’ draft text.

Some parties supported organizing an expert workshop on forest reference levels and forest reference emission levels. Many parties supported language on the “full and effective participation of stakeholders” rather than promoting the “broader participation of stakeholders.”

Many parties suggested including reference to the relevant IPCC guidelines on forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes. One party suggested that the objective of MRV should be to measure the forest-covered area, while another party noted that this does not necessarily address all the activities under REDD+.

Parties also addressed an annex in the draft text, intended to capture parties’ views on the issues discussed. Many parties suggested adding issues to the annex. One party, supported by others, proposed eliminating the annex, stating that the annex does not reflect parties’ common views. Other parties, however, indicated that the annex constitutes a good basis for moving forward and suggested clarifying that it incorporates views expressed by parties. Another party suggested treating the text as the co-facilitators’ text. Other parties underscored taking away “something tangible” from Bonn and some suggested the annex could be useful for producing a document based on its content. Informal consultations continued.

ADAPTATION (AWG-LCA): In the morning informal group on adaptation under the AWG-LCA, parties discussed the facilitator’s note on the operationalization of the Adaptation Committee. The facilitator underscored leaving Bonn with text in a decision format and suggested focusing on outlining a draft decision text. He invited parties to share views on modalities and activities of the functions of the Adaptation Committee, noting that this would precede discussion on the Committee’s composition.

Parties expressed divergent views on the level of detail concerning the Committee’s functions, and whether to work towards an exhaustive or non-exhaustive list of activities. Several developing countries advocated simplicity, emphasizing using the five functions listed in Decision 1/CP.16 (outcome of the AWG-LCA’s work), with one suggesting that this will avoid “micro-managing.” Several parties indicated that going beyond a general reference supersedes the mandate from COP 16. A developed country party supported elaborating the Committee’s specific functions, saying this is important for determining the expertise required. Another developed country stated that the text must give “at least an indication” of the activities envisaged for the

Committee. Noting lack of agreement, the facilitator indicated that the text would be based on the facilitator's note and parties submissions. Informal consultations will continue.

DEVELOPED COUNTRY MITIGATION (AWG-LCA):

The afternoon informal consultations on developed country mitigation under the AWG-LCA focused on international assessment and review (IAR) and associated accounting issues.

Parties suggested possible inputs to the IAR process, including: annual greenhouse gas inventories; biennial reports; reports of expert review teams; and national communications. A number of developing countries stressed that the frequency of IAR and its requirements must not be less onerous than those for international consultation and analysis (ICA). They also emphasized that IAR is key to ensuring comparability of mitigation efforts by developed countries.

On compliance, a number of developing countries called for elaboration of a compliance mechanism, while several developed countries said IAR should be facilitative and non-punitive. One developing country said a compliance mechanism should determine eligibility to participate in international carbon markets.

On accounting rules, many developing countries and several developed countries supported common rules on issues, including targets, base year, sectors, greenhouse gases, banking and trading, and LULUCF. Several developed countries called for flexibility in expressing pledges.

Many developing countries and a developed country underscored the "robust" review mechanism under the Kyoto Protocol, saying the elaboration of the IAR processes should be calibrated against review experiences from the Protocol. Some developed countries supported basing elaboration of the IAR on the current review process under the Convention. Many parties supported a call for submissions, a revised technical paper and a pre-session technical workshop as possible ways to further address IAR before Durban.

DEVELOPING COUNTRY MITIGATION (AWG-LCA):

In the afternoon informal group on mitigation by developing countries under the AWG-LCA, parties considered the process for ICA by focusing on: inputs; basis for ICA; sequencing and scope; outputs; and next steps after Bonn.

Many parties noted that the biennial reports form the basis for inputs. It was also suggested that ICA should be based on the biennial update reports and consist only of information on unsupported mitigation actions.

Concerning the basis for ICA, many parties emphasized that ICA is distinct from IAR, and does not include a review or compliance assessment. Parties also emphasized that ICA operates in a facilitative manner to enhance transparency instead of comparability of efforts, taking into account the diversity of developing countries' nationally appropriate mitigation actions (NAMAs). It was further emphasized that ICA is non-intrusive, non-punitive and respectful of national sovereignty and does not include consideration of the appropriateness of domestic policies and measures. Some parties also noted that the frequency and content of developing country reporting is contingent on the provision of support.

On sequencing and scope, several parties questioned whether the analysis should precede consultation. Some parties proposed that the ICA process should consist of a technical, analytical component as well as a consultative, public component, which would be conducted under the authority of the SBI and open to all parties. Other countries outlined that the consultation process under the SBI should take the form of non-confrontational, interactive discussion. Some parties opposed the consultations being open to all parties, while it was also suggested that consultation and sharing of views should be based on written exchanges. As an output, many parties supported a summary report, which does not address non-achievement.

On next steps, many supported submissions from parties on the ICA process. The co-facilitators were also requested to capture areas of convergence, as well as summarize the discussions.

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS (SBI): During an afternoon contact group on arrangements for intergovernmental meetings, parties considered outstanding paragraphs in a draft text.

On the means of enhancing observer organizations' engagement through, *inter alia*, guiding the facilitators of informal consultations to propose that the meetings be open to observers when they consider this would not impede negotiations, SAUDI ARABIA, INDIA and others suggested deleting the text or revising the language, noting that this is the current practice and there is no need to reflect it in SBI conclusions. AUSTRALIA supported retaining the reference, saying its inclusion would not imply changing the current rules but rather provide guidance to facilitators. He proposed alternative text recognizing the existing rule to close the meetings to observers when required.

On a request to the Secretariat to facilitate interventions by observer organizations without advance submission of written copies, SAUDI ARABIA objected, noting this should be possible only in exceptional circumstances. On a request to the Secretariat to enable the replacement of names of nominated representatives of admitted observer organizations during the meeting in the online registration system, SAUDI ARABIA opposed, underscoring the need to maintain the current six-day time requirement, except for exceptional circumstances.

On a request to continue discussions on, *inter alia*, increasing capacity-building and support for the involvement of observer organizations, MEXICO and SOUTH AFRICA suggested this should be considered particularly for developing country observer organizations. COLOMBIA said the current shortage of funding for participation by developing country delegates should also be considered.

The Secretariat introduced a non-paper on the possible elements of a provisional agenda for COP 17, which incorporates submissions by parties. SAUDI ARABIA and ARGENTINA inquired whether the consideration of this issue is under the mandate of the SBI. Negotiations continued into the evening.

IN THE CORRIDORS

As delegates waded through another busy day, the looming closing plenaries of the SBI and SBSTA, scheduled for Thursday, increased the urgency of reaching resolution on a number of issues.

Interest outside of the negotiating rooms lingered on the Bureau meeting. "We've been so caught up with what needs to happen between now and Durban, but the *de facto* answer is 'not much' if there is not going to be an intersessional meeting," uttered one concerned delegate. However, several relieved delegates could be heard discussing travel plans later on in the day, with one joking that he was "looking forward to wearing his Panama hat *in situ*." Yet other delegates articulated continuing concern: "There is still no funding for the intersessional meeting, the Secretariat has already dipped into its reserve funds and almost no funds are available to support the attendance of developing countries at the intersessional meeting."

Meanwhile, SBSTA discussions on the proposed new agenda items held in abeyance were also attracting attention. One delegate rushing towards the room exclaimed that he was optimistic that water would get on the agenda. As the meeting closed to resounding applause, several beaming delegates emerging from the room confirmed the inclusion of water on the agenda, as well as resolution of a "large number of issues," including, according to one seasoned delegate, "common metrics, which has been on the agenda for years."



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